

IMPORTANT LICENSING CHANGES EFFECTIVE JULY 1, 2010

Please note that although this document has been updated by removing material that was no longer current and changing verb tenses (and the like), it is otherwise identical in content to the version that was available for download before the licensing changes took effect.

Significant changes to the laws governing insurance producers, insurance adjusters, real estate brokers, real estate salespersons, real estate appraisers, and license education providers took effect on July 1, 2010. The most important changes are described below and in the associated Frequently Asked Questions document.

Insurance Producers

- Insurance producer prelicense education consists of 20 hours per major line of authority.
- The following are exempt from the insurance prelicense education requirement:
 - Someone with a two-year Minnesota vocational school degree in insurance
 - Someone with a four-year college degree in business with an insurance emphasis
 - Life applicants with any of the following professional designations: CEBS, ChFC, CIC, CFP, CLU, FLMI, or LUTCF
 - Health applicants with any of the following professional designations: RHU, CEBS, REBC, or HIA
 - Property, Casualty, or Personal Lines P&C applicants with any of the following professional designations: AAI, ARM, CIC, or CPCU.
- Insurance producer are allowed to take prelicense education courses over the Internet or via other verifiable self-study.
- An applicant for a resident insurance producer license or a new line of authority must submit fingerprints for a criminal history background check and pay an associated fee.

- Insurance producer continuing education consists of 24 hours during each licensing period. At least 3 of those hours must be in a class or classes in the area of ethics.
- Insurance producers may take all continuing education hours over the Internet or via other verifiable self-study. (But only half of the required continuing education hours may be obtained through company-sponsored courses.)
- The “inactive waiver” has been eliminated. Insurance producers who are no longer actively engaged in the solicitation and sale of insurance are no longer able to apply for a waiver of continuing education requirements.
- The license renewal date will change from October 31 to the last day of the producer’s birth month. This change will be phased in according to the accompanying “Birth Month Renewals” chart.
- Continuing education courses provided by a bona fide trade association no longer count as “company-sponsored” unless they are held on the premises of a company doing business in the insurance area or otherwise defined by statute as “company-sponsored.”

Birth Month Renewals

Initial license issued in...	will renew in...
July 2010	October 2011
August 2010, birthday 1/1 to 7/31	Birth month 2012
August 2010, birthday 8/1 to 12/31	Birth month 2011
September 2010, birthday 1/1 to 8/31	Birth month 2012
September 2010, birthday 9/1 to 12/31	Birth month 2011
October 2010, birthday 1/1 to 9/30	Birth month 2012
October 2010, birthday 10/1 to 12/31	Birth month 2011
November 2010, birthday 1/1 to 10/31	Birth month 2012
November 2010, birthday 11/1 to 12/31	Birth month 2011
December 2010, birthday 1/1 to 11/30	Birth month 2012
December 2010, birthday 12/1-31	Birth month 2011
January 2011	Birth month 2012
February 2011, birthday 1/1-31	Birth month 2013
February 2011, birthday 2/1 to 12/31	Birth month 2012
March 2011, birthday 1/1 to 2/29	Birth month 2013
March 2011, birthday 3/1 to 12/31	Birth month 2012
April 2011, birthday 1/1 to 3/31	Birth month 2013
April 2011, birthday 4/1 to 12/31	Birth month 2012
May 2011, birthday 1/1 to 4/30	Birth month 2013
May 2011, birthday 5/1 to 12/31	Birth month 2012
June 2011, birthday 1/1 to 5/31	Birth month 2013
June 2011, birthday 6/1 to 12/31	Birth month 2012
July 2011, birthday 1/1 to 6/30	Birth month 2013
July 2011, birthday 7/1 to 12/31	Birth month 2012

☛ **All of the above will owe full CE (24 hours, with 3 in ethics) and full fees.**

For licenses initially issued before 8/1/2010 and **renewed in October 2010:**

Birthday in...	Will renew again in...
January	January 2012
February	February 2012
March	March 2012
April	April 2012
May	May 2012
June	June 2012
July	July 2012
August	August 2012
September	September 2012
October	October 2012
November	November 2011
December	December 2011

For licenses initially issued before 8/1/2010 and **renewed in October 2011:**

Birthday in...	Will renew again in...
January	January 2013
February	February 2013
March	March 2013
April	April 2013
May	May 2013
June	June 2013
July	July 2013
August	August 2013
September	September 2013
October	October 2013
November	November 2012
December	December 2012

FREQUENTLY ASKED QUESTIONS

INSURANCE PRODUCERS

I qualify for an exemption from the insurance prelicense education requirement. How will this be verified?

You must bring proof that you qualify for the exemption to the test center on the day that you take the prelicense examination. Your exemption will need to be verified before you are allowed to sit for the exam.

I took the previously-required precensuring education (30 hours of insurance basics plus 7.5 hours per line of authority). Does any of this count toward the new requirements?

Yes, but only toward those lines of authority for which you completed the 7.5 hours of qualifying education (as well as the 30 hour basics course). The 30 hour basics course on its own does not count toward any of the new requirements.

What should I do to meet the requirement to submit fingerprints?

Your fingerprints will be taken at the test center after you pass the exam.

I already hold a valid Minnesota insurance producer license. Do I need to submit my fingerprints?

Not unless you decide to add a line of authority.

Is my license now due for renewal in my birth month in 2011?

The transition from biannual October 31 license renewals to biannual birth month renewals is being phased in over time, with the first birth month renewals taking place for affected producers in August 2011. Please note, however, that not everyone with a birthday in August will need to renew his or her license in 2011; it depends on when the license was originally issued and most recently renewed. Please see the "Birth Month Renewals" charts to determine when your license will be due for renewal in the future.

Does adding a line of authority to an active license change my license renewal date?

No.

With the transition to birth month renewals, will the amount of continuing education that I have due at license renewal be prorated depending on how long I have held the license?

No. Everyone must have completed 24 hours of continuing education, with at least 3 of those hours in ethics, to renew a producer license.

With the transition to birth month renewals, will the license fee be prorated depending on how long I have held the license?

No. As was the case previously, the full fee is required in order to renew a producer license, regardless of how long that license has been held.

My license is due to be renewed in October. How much continuing education will I have due?

If your license is due to renew in October 2011, you will have 24 hours of continuing education due, with at least 3 of those hours in ethics.

My license is due to be renewed in October, and I've already completed 30 hours of continuing education—but none of those were from an ethics class. Have I fulfilled my continuing education requirements?

No. You have completed the general requirement to have 24 hours of continuing education, but you still need to have at least 3 hours of ethics in order to fulfill the continuing education requirement.

I took a continuing education course before July 1, 2010, that was provided by a certain trade association and classified as “company-sponsored.” Owing to a change in the law, courses provided by this same trade association on or after July 1, 2010, are no longer classified as “company-sponsored.” Does this also mean that the course I took no longer counts as “company-sponsored”?

Because you took your course before the applicable law changed, it still counts as “company-sponsored.” The change to the law regarding continuing education courses provided by a bona fide trade association does not have retroactive effect, so it only applies to courses provided on or after July 1, 2010.

I am no longer actively engaged in the solicitation and sale of insurance, but I would like to keep my license so that I can continue to service insurance policies. Can I apply for a waiver of my continuing education requirements?

No. Under the new law, the “inactive waiver” is no longer available.

I am no longer actively engaged in the solicitation and sale of insurance. If I don’t renew my license, does that mean that I can no longer receive commissions?

You can continue to receive renewal or other deferred commissions for selling, soliciting, or negotiating insurance in Minnesota if you were actively licensed at the time of the sale, solicitation, or negotiation.

Insurance Adjusters

- Insurance adjuster licenses are issued with the following lines of authority: property and casualty, workers' compensation, and crop. All current independent and public adjuster licenses were converted to the P&C line of authority on 7/1/2010. Public adjuster solicitor's and crop hail adjuster licenses did not change. Exams for the new lines of authority have been available since June 2010.
- Resident insurance adjusters have continuing education requirements. Insurance adjuster continuing education consists of 24 hours during each licensing period. At least 3 of those hours must be in a class or classes in the area of ethics.
- The license renewal date will change from October 31 to the last day of the adjuster's birth month. This change will be phased in according to the accompanying "Birth month renewals" chart.
- A distinction is now made between resident and nonresident insurance adjusters in terms of a "home state," which means the District of Columbia and any U.S. state or territory in which an adjuster's principal place of residence or business is maintained and in which the adjuster is licensed as a resident adjuster. If the adjuster's resident state does not license adjusters for the line of authority sought, the adjuster may designate as the home state any state in which the adjuster is licensed and in good standing. Nonresident adjusters must maintain a resident adjuster license in their home state in order for their Minnesota nonresident adjuster license to remain valid.
- Insurance adjusters whose licenses expire are able to reactivate them within 12 months of the renewal date by paying double fees.
- An applicant for a resident independent or public insurance adjuster license must submit fingerprints for a criminal history background check and pay an associated fee.
- Independent and public adjusters pay the \$40 technology surcharge.

- An exemption from the prelicensing examination requirement is available to someone who is or was licensed in another state for the same line(s) of authority based on an adjuster examination, if the person is currently licensed in another state for the same line(s) of authority or if that state license for the same line(s) of authority has expired within the previous 90 days.
- An exemption from the prelicensing examination requirement is no longer available to someone who has completed all parts of the Insurance Institute of America program in adjusting.
- Nonresident insurance adjusters who are occasionally in Minnesota to adjust a single loss are no longer exempt from licensure.
- Certain statutory provisions affecting a “homeowner’s” rights with regard to a contract with a public adjuster have been extended to all insureds. The time within which such a contract can be cancelled has been extended to 72 hours.
- A public insurance adjuster must deposit funds managed on an insured’s behalf in an escrow or trust account meeting specified criteria.

Birth Month Renewals

Initial license issued in...	will renew in...
July 2010	October 2011
August 2010, birthday 1/1 to 7/31	Birth month 2012
August 2010, birthday 8/1 to 12/31	Birth month 2011
September 2010, birthday 1/1 to 8/31	Birth month 2012
September 2010, birthday 9/1 to 12/31	Birth month 2011
October 2010, birthday 1/1 to 9/30	Birth month 2012
October 2010, birthday 10/1 to 12/31	Birth month 2011
November 2010, birthday 1/1 to 10/31	Birth month 2012
November 2010, birthday 11/1 to 12/31	Birth month 2011
December 2010, birthday 1/1 to 11/30	Birth month 2012
December 2010, birthday 12/1-31	Birth month 2011
January 2011	Birth month 2012
February 2011, birthday 1/1-31	Birth month 2013
February 2011, birthday 2/1 to 12/31	Birth month 2012
March 2011, birthday 1/1 to 2/29	Birth month 2013
March 2011, birthday 3/1 to 12/31	Birth month 2012
April 2011, birthday 1/1 to 3/31	Birth month 2013
April 2011, birthday 4/1 to 12/31	Birth month 2012
May 2011, birthday 1/1 to 4/30	Birth month 2013
May 2011, birthday 5/1 to 12/31	Birth month 2012
June 2011, birthday 1/1 to 5/31	Birth month 2013
June 2011, birthday 6/1 to 12/31	Birth month 2012
July 2011, birthday 1/1 to 6/30	Birth month 2013
July 2011, birthday 7/1 to 12/31	Birth month 2012

☛ All of the above will owe full CE (24 hours, with 3 in ethics) and full fees.

For licenses **renewed in October 2010:**

Birthday in...	Will renew again in...
January	January 2012
February	February 2012
March	March 2012
April	April 2012
May	May 2012
June	June 2012
July	July 2012
August	August 2012
September	September 2012
October	October 2012
November	November 2011
December	December 2011

For licenses **renewed in October 2011:**

Birthday in...	Will renew again in...
January	January 2013
February	February 2013
March	March 2013
April	April 2013
May	May 2013
June	June 2013
July	July 2013
August	August 2013
September	September 2013
October	October 2013
November	November 2012
December	December 2012

FREQUENTLY ASKED QUESTIONS

INSURANCE ADJUSTERS

Is my license now due for renewal in my birth month in 2011?

The transition from biannual October 31 license renewals to biannual birth month renewals is being phased in over time, with the first birth month renewals taking place for affected adjusters in August 2011. Please note, however, that not everyone with a birthday in August will need to renew his or her license in 2011; it depends on when the license was originally issued and most recently renewed. Please see the "Birth Month Renewals" charts to determine when your license will be due for renewal in the future.

Does adding a line of authority to an active license change my license renewal date?

No.

With the transition to birth month renewals, will the amount of continuing education that I have due at license renewal be prorated depending on how long I have held the license?

No. Everyone must have completed 24 hours of continuing education, with at least 3 of those hours in ethics, to renew an independent or public adjuster license.

With the transition to birth month renewals, will the license fee be prorated depending on how long I have held the license?

No. As was the case previously, the full fee will be required in order to renew an adjuster license, regardless of how long that license has been held.

Will independent and public adjusters who have been continuously licensed since before July 1, 2010, have to meet continuing education requirements when they renew their licenses?

Yes. Currently-licensed independent and public adjusters who are due to renew their licenses in October 2011 will have 24 hours of continuing education due, with at least 3 of those hours in ethics.

Do independent and public adjusters have to pay the \$40 technology surcharge?

Yes. Under state law, the technology fee is imposed on license fees for individual insurance, real estate, and real estate appraiser licenses that require continuing education. Because independent and public adjuster licenses require continuing education, they are subject to the technology surcharge.

What should I do to meet the requirement to submit fingerprints?

Your fingerprints will be taken at the test center after you pass the exam.

I already hold a valid Minnesota insurance adjuster license. Do I need to submit my fingerprints?

Not unless you decide to add a line of authority.

Real Estate Brokers and Salespersons

- Real estate prelicense education courses may be taken over the Internet.
- The content for Course I, Course II, Course III, and the broker course has been moved from rule to statute (Minn. Stat. §82.295).

Real Estate Appraisers

- The rules governing appraisers (currently located in Minnesota Rules, Chapter 2808) have been repealed. The material retained from those rules is located in state statute (Minnesota Statutes, Chapter 82B).
- In accordance with federal requirements, a licensed real estate appraiser returning from active duty has 90 days to complete any outstanding continuing education requirements, not the longer period allowed elsewhere in statute.
- [*This item became effective 8/1/2009.*] Appraisers must keep a separate work file for each appraisal assignment for a period of five years after preparation, or at least two years after final disposition of any judicial proceedings in which the appraiser provided testimony or was the subject of litigation related to the assignment, whichever period expires last.
- [*This item became effective 8/1/2009.*] Trainee and supervisory real property appraisers to include additional information with each initial or renewal license application. Trainees must provide the name and address of their supervisory appraiser(s). Certified residential real property appraisers and certified general real property appraisers who intend to act in the capacity of a supervisory appraiser must provide the name and address of the trainee real property appraiser(s) that they intend to supervise. In addition, trainees must notify the Commissioner of Commerce in writing within ten days of terminating or changing their relationship with any supervisory appraiser. Supervisory appraisers must notify the Commissioner of Commerce in writing within ten days when the supervision of a trainee has terminated or when the trainee is no longer under the supervision of the supervisory appraiser. Certified residential real property appraisers and certified general real property appraisers may have no more than three trainees working under supervision at any one time.
- [*This item became effective 8/1/2009.*] No person may improperly influence or attempt to improperly influence the development, reporting, result, or review of a real estate appraisal.

Prelicense Education Providers

- The rules governing license education practices and procedures (previously located in Minnesota Rules, Chapter 2809) were repealed. The material retained from those rules is located in state statute (Minnesota Statutes, Chapter 45).
- Any person or entity offering approved education, previously called a “sponsor,” is called an “education provider.”
- Prelicense education courses for insurance producers offered via the Internet or via other verifiable self-study can be submitted for department approval.
- The design and delivery of a prelicense education course offered over the Internet must be approved as indicated below before the course is submitted to the Department of Commerce for approval:

License type	Approval needed
Appraiser	IDECC
Insurance	IDECC
Real Estate	IDECC or ARELLO

This requirement does not apply to Internet prelicense courses offered for academic credit by certain accredited institutions of higher learning.

- Interactive Internet prelicense education courses must:
 - specify the minimum system requirements;
 - provide encryption that ensures that all personal information, including the student's name, address, and credit card number, cannot be read as it passes across the Internet;
 - include technology to guarantee seat time;
 - include a high level of interactivity;
 - include graphics that reinforce the content;
 - include the ability for the student to contact an instructor within a reasonable amount of time;
 - include the ability for the student to get technical support within a reasonable amount of time;
 - include a statement that the student's information will not be sold or distributed to any third party without prior written consent of the student. Taking the course does not constitute consent;
 - be available 24 hours a day, seven days a week, excluding minimal down time for updating and administration, except that this provision does not apply

to live courses taught by an actual instructor and delivered over the Internet;

- provide viewing access to the online course at all times to the commissioner, excluding minimal down time for updating and administration;
- include a process to authenticate the student's identity;
- inform the student and the commissioner how long after its purchase a course will be accessible;
- inform the student that license education credit will not be awarded for taking the course after it loses its status as an approved course;
- provide clear instructions on how to navigate through the course;
- provide automatic bookmarking at any point in the course;
- provide questions after each unit or chapter that must be answered before the student can proceed to the next unit or chapter;
- include a reinforcement response when a quiz question is answered correctly;
- include a response when a quiz question is answered incorrectly;
- include a comprehensive final examination covering all required topics. The examination must be monitored by a proctor who certifies that the student took the examination. The exam must be either a paper examination or an encrypted online examination, and the student must not be allowed to review the course content once the examination has begun;
- allow the student to go back and review any unit at any time, except during the final examination;
- provide a course evaluation at the end of the course. At a minimum, the evaluation must ask the student to report any difficulties caused by the online education delivery method; and
- provide a completion certificate when the course and exam have been completed and the provider has verified the completion. Electronic certificates are sufficient.

- Insurance producer prelicense education courses are 20 hours long. A course must include an introduction to insurance and insurance-related concepts covering all of the major lines of authority except variable life and variable annuities and must consist of the following:

- (1) rules, regulations, and law;
- (2) basic fundamentals of insurance;
- (3) property:
 - (i) types of policies;

- (ii) policy provisions;
 - (iii) perils, exclusions, deductibles, and liability; and
 - (iv) evaluating needs;
- (4) casualty:
 - (i) types of policies;
 - (ii) policy provisions;
 - (iii) perils, exclusions, deductibles, and liability; and
 - (iv) evaluating needs;
- (5) life:
 - (i) types of policies;
 - (ii) policy provisions; and
 - (iii) group insurance; and
- (6) accident and health:
 - (i) types of policies;
 - (ii) policy provisions; and
 - (iii) group insurance.

Courses that cover a specific major line of authority must consist of the following:

- (1) life:
 - (i) types of life insurance policies; and
 - (ii) Minnesota laws, rules, and regulations pertinent to life insurance;
- (2) accident and health:
 - (i) types of health insurance policies; and
 - (ii) Minnesota laws, rules, and regulations pertinent to accident and health insurance;
- (3) property:
 - (i) personal lines;
 - (ii) commercial lines; and
 - (iii) Minnesota laws, rules, and regulations pertinent to property insurance.
- (4) casualty:
 - (i) personal lines;
 - (ii) commercial lines; and
 - (iii) Minnesota laws, rules, and regulations pertinent to casualty insurance; and
- (5) personal lines:
 - (i) types of property/casualty personal lines insurance policies; and
 - (ii) Minnesota laws, rules, and regulations pertinent to property/casualty personal lines insurance.

FREQUENTLY ASKED QUESTIONS

PRELICENSE EDUCATION PROVIDERS

I previously offered an approved 7.5 hour insurance producer prelicense education course. Can I apply for approval of a separate 12.5 hour course so that the two combined will meet the 20-hour requirement?

No. Only complete, 20-hour courses that meet the new requirements can be considered for approval.

I intend to offer a prelicense education course over the Internet. Does the course need to be approved by the International Distance Education Certification Center (IDECC) or the Association of Real Estate License Law Officials (ARELLO)?

Yes, the design and delivery of an insurance or appraiser prelicense education course offered over the Internet must be approved by IDECC before it is submitted to the Department of Commerce for approval. The design and delivery of a real estate prelicense education course offered over the Internet must be approved by either IDECC or ARELLO before it is submitted to the Department of Commerce for approval. Please note that this requirement does not apply to Internet prelicense courses offered for academic credit by an accredited college, community college, or university that offers distance education programs and is approved or accredited by the Commission on Colleges, a regional or national accreditation association, or by an accrediting agency that is recognized by the United States Secretary of Education.

Continuing Education Providers

- The rules governing license education practices and procedures (previously located in Minnesota Rules, Chapter 2809) were repealed. The material retained from those rules is located in state statute (Minnesota Statutes, Chapter 45).
- Any person or entity offering approved education, previously called a “sponsor,” is called an “education provider.”
- Continuing education providers who qualify have the option of using a “short form” to receive approval for continuing education courses that are not required by federal criteria or a reciprocity agreement to receive a substantive review. To qualify, an education provider must be a degree-granting institution of higher learning located within Minnesota, a private school licensed by the Minnesota Office of Higher Education, or (when conducting courses for its members) a bona fide trade association that staffs and maintains in Minnesota a physical location that contains course and student records, and that has done so for at least three years.
- The design and delivery of an appraiser continuing education course offered over the Internet must be approved by IDECC before the course is submitted to the Department of Commerce for approval.
- Interactive Internet continuing education courses must:
 - specify the minimum system requirements;
 - provide encryption that ensures that all personal information, including the student's name, address, and credit card number, cannot be read as it passes across the Internet;
 - include technology to guarantee seat time;
 - include a high level of interactivity;
 - include graphics that reinforce the content;
 - include the ability for the student to contact an instructor within a reasonable amount of time;
 - include the ability for the student to get technical support within a reasonable amount of time;
 - include a statement that the student's information will not be sold or distributed to any third party without prior written consent of the student. Taking the course does not constitute consent;
 - be available 24 hours a day, seven days a week, excluding minimal down time for updating and administration, except that this provision does not apply to live courses taught by an actual instructor and delivered over the Internet;

- provide viewing access to the online course at all times to the commissioner, excluding minimal down time for updating and administration;
 - include a process to authenticate the student's identity;
 - inform the student and the commissioner how long after its purchase a course will be accessible;
 - inform the student that license education credit will not be awarded for taking the course after it loses its status as an approved course;
 - provide clear instructions on how to navigate through the course;
 - provide automatic bookmarking at any point in the course;
 - provide questions after each unit or chapter that must be answered before the student can proceed to the next unit or chapter;
 - include a reinforcement response when a quiz question is answered correctly;
 - include a response when a quiz question is answered incorrectly;
 - include a final examination that must be either an encrypted online examination or a paper examination that is monitored by a proctor who certifies that the student took the examination. The student must not be allowed to review the course content once the examination has begun;
 - allow the student to go back and review any unit at any time, except during the final examination;
 - provide a course evaluation at the end of the course. At a minimum, the evaluation must ask the student to report any difficulties caused by the online education delivery method; and
 - provide a completion certificate when the course and exam have been completed and the provider has verified the completion. Electronic certificates are sufficient.
- The Department of Commerce is no longer required to approve any educational program approved by Minnesota Continuing Legal Education relating to the insurance field or to real estate.
 - Insurance producer continuing education courses provided by a bona fide trade association no longer count as “company-sponsored” unless they are otherwise defined by statute as “company-sponsored.”

FREQUENTLY ASKED QUESTIONS

CONTINUING EDUCATION PROVIDERS

Who can use the “short form” for continuing education course approval?

Qualified providers—specifically:

- A degree-granting institution of higher learning located within Minnesota
- A private school licensed by the Minnesota Office of Higher Education
- When conducting courses for its members, a bona fide trade association that staffs and maintains in Minnesota a physical location that contains course and student records, and that has done so for at least three years.

When can a qualified provider use the new “short form” for continuing education course approval?

When the course is not required by federal criteria or a reciprocity agreement to receive a substantive review. In practice, this means that the “short form” process cannot be used for (a) insurance continuing education courses for which Minnesota’s approval will be used as the basis for reciprocal approval in another state, or (b) any appraiser continuing education courses.

I intend to offer an appraiser continuing education course over the Internet. Does the course need to be approved by the International Distance Education Certification Center (IDECC)?

Yes, the design and delivery of an appraiser continuing education course offered over the Internet must be approved by IDECC before it is submitted to the Department of Commerce for approval.